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UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

-----X  
In re: : Chapter 11  
:   
GENERAL MOTORS CORP., *et al.*, : Case No. 09-50026 (REG)  
: (Jointly Administered)  
Debtors. :  
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**OBJECTION OF SCG CAPITAL CORPORATION TO NOTICE OF (I) DEBTORS'  
INTENT TO ASSUME AND ASSIGN CERTAIN EXECUTORY CONTRACTS,  
UNEXPIRED LEASES OF PERSONAL PROPERTY, AND UNEXPIRED LEASES OF  
NONRESIDENTIAL REAL PROPERTY AND (II) CURE AMOUNTS RELATED THERETO**

SCG Capital Corporation (“**SCG**”), by and through its bankruptcy counsel,  
DiConza Law, P.C., hereby submits this objection (the “**Objection**”) to the Notice of (I)  
Debtors’ Intent to Assume and Assign Certain Executory Contracts, Unexpired Leases of  
Personal Property, and Unexpired Leases of Nonresidential Real Property and (II) Cure Amounts  
Related Thereto (the “**Notice of Intent**”), served upon SCG by the above-captioned debtors and  
debtors in possession (the “**Debtors**”) pursuant to this Court’s Order Pursuant to 11 U.S.C. §§  
105, 363, and 365 and Fed. R. Bankr. P. 2002, 6004, and 6006 (I) Approving Procedures for Sale  
of Debtors’ Assets Pursuant to Master Sale and Purchase Agreement With Vehicle Acquisition  
Holdings LLC, a U.S. Treasury-Sponsored Purchaser; (II) Scheduling Bid Deadline and Sale  
Hearing Date; (III) Establishing Assumption and Assignment Procedures; and (IV) Fixing Notice  
Procedures and Approving Form of Notice (the “**Bidding Procedures Order**”), and respectfully  
represents as follows:

OBJECTION

1. The Debtors commenced their voluntary chapter 11 bankruptcy cases on June 1, 2009. On June 2, 2009, this Court entered the Bidding Procedures Order, which provides procedures for the Debtors' assumption and assignment of certain executory contracts.

2. SCG, as successor and assignee of The LGR Group, Inc. to a Master Lease Agreement dated March 17, 2000 and numerous Equipment Schedules thereto and as successor and assignee of First American Capital Management Group, Inc. to an Master Lease Agreement dated May 16, 2000 and numerous Equipment Schedules thereto (collectively referred to herein as the "Equipment Leases"), leased certain Equipment to the Debtors. A copy of the Equipment Leases is attached hereto as Exhibit A.

3. In accordance with the Equipment Leases, the Debtors are required to pay SCG a monthly rental fees for some period of time as determined by the Equipment Leases and, at the end of each rental period, the Debtors were required to act in accordance with the terms set forth in the Equipment Leases and either return the Equipment, renew the term of the Equipment Lease, or to purchase the Equipment. The Debtors have returned some Equipment and renewed the term of the Equipment Leases for certain other Equipment on a month to month basis or otherwise.

4. In addition to monthly rental fees, the Debtors are also responsible to reimburse SCG for payment of personal property taxes based upon the value and location of the Equipment.

5. Pursuant to the Bidding Procedures Order, the Debtors delivered the Notice of Intent to SCG apparently indicating that the Debtors intend to assume and assign certain lease agreements with SCG (the "Assumed Contracts"). The Debtors have scheduled

the “cure amount” for the SCG Assumed Contracts as Fifty-Six Thousand Five Hundred Twenty-Three and 05/100 (\$56,523.05) Dollars.

6. By this Objection, SCG objects to the Debtors’ “cure amount” and submits the proper cure amount is \$301,353.85. The breakdown of the proper cure amount is set forth on the attached spreadsheet marked as **Exhibit B**.

7. Pursuant to section 365(b)(1) of the Bankruptcy Code, “[i]f there has been a default in an executory contract or unexpired lease of the debtor, the trustee may not assume such contract or lease unless, at the time of the assumption of such contract or lease, the trustee-- (A) cures, or provides adequate assurance that the trustee will promptly cure, such default...”

*See 11 U.S.C. § 365(b)(1)(A).*

8. Section 365(b)(1) goes on to further provide that a trustee may not assume an executory contract or lease unless the trustee “compensates, or provides adequate assurance that the trustee will promptly compensate, a party other than the debtor to such contract or lease, for any actual pecuniary loss to such party resulting from such default.” *See 11 U.S.C. § 365(b)(1)(B).*

9. The Debtors have failed to perform in accordance with the terms of the Equipment Leases and have failed to tender all payments required thereunder. SCG has no objection to the assumption and assignment of the Assumed Contracts provided that the correct cure amount is paid. SCG expects that any differences can be reconciled but files this Objection out of an abundance of caution due to the deadlines set forth in the Notice of Intent and Bid Procedures Order and to preserve all of its rights.

10. If the parties are unable to reconcile the differences and the Court determines that the proposed assignment and assumption be granted, SCG respectfully requests

that such assignment and assumption be conditioned upon the Debtors paying the entire cure amount as set forth on Exhibit B prior to the assignment and assumption.

11. SCG reserves all rights to amend and/or supplement this Objection.

WHEREFORE, SCG respectfully requests that this Court sustain this Objection and deny the Debtors' request for authority to assume and assign SCG's Equipment Leases without a prompt full cure, and for other such relief as this Court deems just and proper.

Dated: New York, New York  
June 12, 2009

Respectfully Submitted,

DICONZA LAW, P.C.

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**EXHIBIT A**

**SCG EQUIPMENT LEASES**

**EXHIBIT B**

**SCG SPREADSHEET OF CURE AMOUNT**